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SENATE BILL 730

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Joseph J. Carraro

AN ACT

RELATING TO PUBLIC MONEY; MAKING A TEMPORARY TRANSFER OF
BALANCES FROM THE TOBACCO SETTLEMENT PERMANENT FUND AND THE
TOBACCO SETTLEMENT PROGRAM FUND; IMPOSING A CIGARETTE SURTAX;
DISTRIBUTING REVENUES FROM THE TAX; MAKING AN APPROPRIATION;
DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.11 NMSA 1978 (being Laws 1983,
Chapter 211, Section 16, as amended) is amended to read:

"7-1-6.11. DISTRIBUTIONS OF CIGARETTE [~~TAXES~~] TAX AND
SURTAX. - -

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to the county and municipality recreational
fund in an amount equal to four and [~~three-quarters~~] three-
fourths percent of the net receipts, exclusive of penalties and

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1 interest, attributable to the cigarette tax.

2 B. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 shall be made to the county and municipal cigarette tax
4 fund in an amount equal to nine and one-half percent of the net
5 receipts, exclusive of penalties and interest, attributable to
6 the cigarette tax.

7 C. A distribution pursuant to Section 7-1-6.1 NMSA
8 1978 shall be made to the cancer research and treatment center
9 at the university of New Mexico [~~school of medicine~~] health
10 sciences center in an amount equal to four and [~~three-quarters~~]
11 three-fourths percent of the net receipts, exclusive of
12 penalties and interest, attributable to the cigarette tax.

13 D. A distribution pursuant to Section 7-1-6.1 NMSA
14 1978 shall be made to the cancer research and treatment center
15 at the university of New Mexico health sciences center in an
16 amount equal to eight percent of the net receipts, exclusive of
17 penalties and interest, attributable to the cigarette surtax;
18 provided that twenty-five percent of the distribution pursuant
19 to this subsection shall be used for genomic research.

20 [~~D.~~] E. A distribution pursuant to Section 7-1-6.1
21 NMSA 1978 shall be made to the New Mexico finance authority in
22 an amount equal to seven and one-eighth percent of the net
23 receipts, exclusive of penalties and interest, attributable to
24 the cigarette tax.

25 F. A distribution pursuant to Section 7-1-6.1 NMSA

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1 1978 shall be made to the New Mexico finance authority in an
2 amount equal to six percent of the net receipts, exclusive of
3 penalties and interest, attributable to the cigarette surtax;
4 provided that the distribution pursuant to this subsection
5 shall be used for expansion of the university of New Mexico
6 hospital.

7 G. Until a certification is made pursuant to this
8 subsection, a distribution pursuant to Section 7-1-6.1 NMSA
9 1978 shall be made to the tobacco settlement permanent fund in
10 an amount equal to forty-three percent of the net receipts,
11 exclusive of penalties and interest, attributable to the
12 cigarette surtax. Provided, that after the end of the month in
13 which the secretary of finance and administration certifies to
14 the secretary of taxation and revenue that the total amounts
15 distributed to the tobacco settlement permanent fund pursuant
16 to this subsection have exceeded the amount transferred from
17 that fund pursuant to Subsection A of Section 4 of this 2003
18 act, then no further distribution shall be made pursuant to
19 this subsection.

20 H. A distribution pursuant to Section 7-1-6.1 NMSA
21 1978 shall be made to the supplemental medicaid fund in an
22 amount equal to the net receipts, exclusive of penalties and
23 interest, attributable to the cigarette surtax that are not
24 distributed pursuant to Subsections D, F and G of this
25 section."

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1 Section 2. Section 7-12-3 NMSA 1978 (being Laws 1971,
2 Chapter 77, Section 3, as amended) is amended to read:

3 "7-12-3. EXCISE TAX ON CIGARETTES--RATES.--

4 A. For the privilege of selling, giving or
5 consuming cigarettes in New Mexico, there is levied an excise
6 tax at the rate of one and five hundredths cents (\$.0105) for
7 each cigarette sold, given or consumed in this state.

8 B. ~~[The tax]~~ For the privilege of selling, giving
9 or consuming cigarettes in New Mexico, there is levied an
10 additional excise tax at the rate of five cents (\$.05) for each
11 cigarette sold, given or consumed in this state. For purposes
12 of distributing tax revenues pursuant to Section 7-1-6.11 NMSA
13 1978, the tax imposed by this subsection shall be referred to
14 as the "cigarette surtax".

15 C. Except for purposes of distributing tax revenues
16 pursuant to Section 7-1-6.11 NMSA 1978, the taxes imposed by
17 Subsections A and B of this section shall be jointly referred
18 to as the "cigarette tax".

19 Section 3. [NEW MATERIAL] SUPPLEMENTAL MEDICAID FUND
20 CREATED.--The "supplemental medicaid fund" is created in the
21 state treasury. The fund shall be administered by the human
22 services department. The fund shall consist of money
23 appropriated and transferred to the fund and excise tax
24 revenues distributed to the fund by law. Earnings to the fund
25 shall be credited to the fund and the fund shall not revert at

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1 the end of any fiscal year. Expenditures from the fund shall
2 be by warrant of the secretary of finance and administration
3 upon vouchers signed by the secretary of human services. The
4 fund shall be subject to appropriation by the legislature for
5 expenses incurred in the medicaid program.

6 Section 4. TEMPORARY PROVISION--TRANSFER OF FUND

7 BALANCES. --Notwithstanding the provisions of Sections 6-4-9
8 through 6-4-11 NMSA 1978:

9 A. the unencumbered and unexpended balance of the
10 tobacco settlement permanent fund is transferred to the general
11 fund;

12 B. the unencumbered and unexpended balance of the
13 tobacco settlement program fund is transferred to the general
14 fund; and

15 C. distributions to the state during fiscal year
16 2003 that would otherwise be made to the tobacco settlement
17 permanent fund shall be made to the general fund.

18 Section 5. EFFECTIVE DATES. --

19 A. The effective date of the provisions of Section
20 4 of this act is the last day of the calendar month in which
21 this act is enacted into law.

22 B. The effective date of the provisions of Section
23 2 of this act is July 1, 2003.

24 C. The effective date of the provisions of Sections
25 1 and 3 of this act is August 1, 2003.

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